

The two blank "date" lines  
located on this page should  
be filled in as June 1, 2000

RESOLUTION NO. LFC-4

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LODI  
FINANCING CORPORATION RELATING TO VARIABLE RATE  
CERTIFICATES OF PARTICIPATION (ENVIRONMENTAL  
ABATEMENT PROGRAM), APPROVING THE FORMS OF AND  
AUTHORIZING THE EXECUTION AND DELIVERY OF A PROGRAM  
RECEIPTS SALE AND REPURCHASE AGREEMENT, A TRUST  
AGREEMENT, A CERTIFICATE PURCHASE CONTRACT AND A  
PLACEMENT AGENT AGREEMENT AND AUTHORIZING CERTAIN  
OTHER RELATED ACTIONS AND CERTAIN OTHER DOCUMENTS  
IN CONNECTION THEREWITH

WHEREAS, the Lodi Financing Corporation (the "Corporation") is a nonprofit public benefit corporation organized and existing under the laws of the State of California with the authority to assist with the financing of the costs of the environmental abatement program of the City of Lodi (the "City"); and

WHEREAS, the City and the Corporation desire to enter into that certain Program Receipts Sale and Repurchase Agreement ("Sale and Repurchase Agreement"), dated as of \_\_\_\_\_, \_\_\_\_\_, by and between the City and the Corporation, the form of which has been presented to this Board of Directors at the meeting at which this Resolution has been adopted, pursuant to which the City will agree to irrevocably sell and convey to the Corporation its right to receive Program Receipts (as defined in the Sale and Repurchase Agreement), and the Corporation will resell and reconvey such Program Receipts to the City in consideration of the City's agreement to make certain Repurchase Payments (as described in the Sale and Repurchase Agreement) in connection therewith, which payments have been pledged to the owners of the Certificates of Participation (defined below) by the Corporation pursuant to a Trust Agreement, dated as of \_\_\_\_\_, \_\_\_\_\_ (the "Trust Agreement"), by and between the Corporation and the Trustee named therein, as trustee (the "Trustee"), the form of which has been presented to this Board of Directors at the meeting at which this Resolution has been adopted; and

WHEREAS, the Corporation and the City have determined that it would be in the best interests of the Corporation, the City and citizens of the community to authorize the execution and delivery of Certificates of Participation in an aggregate principal amount not to exceed \$16,000,000 (the "Certificates"), which Certificates evidence proportionate interests in certain Repurchase Payments to be made pursuant to the Sale and Repurchase Agreement, and which financing will facilitate the effective and expeditious abatement of an existing or threatened Environmental Nuisance, as defined in the City's Comprehensive Municipal Environmental Response and Liability Ordinance, being Ordinance No. 1684, adopted November 17, 1999 and effective December 17, 1999, repealing and reenacting Title 8, chapter 8.24 of the Lodi Municipal Code (the "Ordinance") within or affecting the City.

NOW, THEREFORE, the Board of Directors of the Corporation does hereby resolve as follows:

SECTION 1: Certificates. This Board of Directors hereby authorizes the execution and delivery of the Certificates in an aggregate principal amount not to exceed \$16,000,000 in accordance with the terms and provisions of the Trust Agreement. The purposes for which the proceeds of the sale of the Certificates shall be expended are to assist with the cost of financing the City's environmental abatement program, as described in the Sale and Repurchase Agreement.

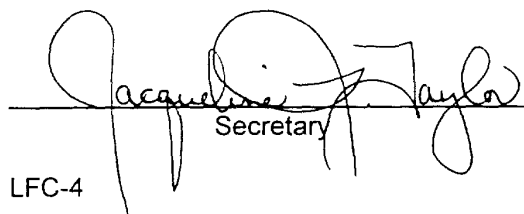
SECTION 2: Certificate Documents. The Sale and Repurchase Agreement, the Trust Agreement, the Certificate Purchase Contract and the Placement Agent Agreement presented at this meeting are approved. The President, Vice-President or the President's designee is authorized and directed to execute and deliver said agreements. The agreements shall be executed in substantially the forms hereby approved, with such additions thereto and changes therein as are recommended or approved by counsel to the Corporation and approved by such officers of the Corporation executing the documents, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 3: Other Actions. The President, Vice President, Secretary and such other officers of the Corporation are authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the sale and delivery of the Certificates, and the delivery of the documents described above, and otherwise effectuate the purposes of this Resolution, and such actions previously taken by such officers are hereby ratified and confirmed.

SECTION 4: Effective Date. This Resolution shall take effect upon the effective date of the Ordinance, unless the Ordinance does not become effective by June 1, 2000, in which event this Resolution shall be of no further force and effect.

ADOPTED, SIGNED AND APPROVED this 3rd day of November, 1999, by the following vote:

AYES:	BOARD MEMBERS – Hitchcock, Mann, Nakanishi, Pennino and Land (President)
NOES:	BOARD MEMBERS – None
ABSENT:	BOARD MEMBERS – None
ABSTAIN:	BOARD MEMBERS – None

  
Secretary

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